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12 **UNITED STATES BANKRUPTCY COURT**
13 **NORTHERN DISTRICT OF CALIFORNIA**
14 **SAN FRANCISCO DIVISION**

15 In re:

16 PG&E CORPORATION,

17 - and -

18 PACIFIC GAS AND ELECTRIC
19 COMPANY,

20 Debtors.

- 21 Affects PG&E Corporation
22 Affects Pacific Gas and Electric Company
23 Affects both Debtors

24 ** All papers shall be filed in the lead case,
25 No. 19-30088 (DM)*

26 Bankruptcy Case No. 19-30088 (DM)

27 Chapter 11

28 (Lead Case)

1 (Jointly Administered)

2 District Case No. 20-01493 (HSG)

3 **APPELLEES' RESPONSE TO TRADE
4 COMMITTEE'S STATEMENT OF ISSUES,
5 DESIGNATION OF ADDITIONAL ITEMS
6 TO BE INCLUDED IN THE RECORD**

PG&E Corporation and Pacific Gas & Electric Company (“**Debtors**”) and the PG&E Shareholders¹ (collectively, the “**Appellees**”) submit this response to the March 5, 2020 filing by the Ad Hoc Committee of Holders of Trade Claims (the “**Trade Committee**” or “**Appellant**”) of its *Statement of Issues, Designation of Items to be Included in the Record, and Certification Regarding Transcript*, Dkt. No. 6126, (the “**Statement**”) in connection with its Appeal from (i) the *Interlocutory Order Regarding Postpetition Interest*, Dkt. No. 5669, entered on February 6, 2020, and (ii) the related *Memorandum Decision Regarding Postpetition Interest* entered on December 30, 2019, Dkt. No. 5226, by the United States Bankruptcy Court for the Northern District of California (the “**Bankruptcy Court**”). While the Appellees contend that the appeal should be dismissed because the orders appealed from are not final and leave to pursue an interlocutory appeal should be denied—for all the reasons set forth in the Appellees’ opposition to Appellant’s motion for leave (*Ad Hoc. Cmte. of Holders of Trade Claims v. PG&E Corp.*, Case No. 20-cv-01493-HSG (N.D. Cal., Mar. 13, 2020), Dkt. No. 32)—the Appellees submit this response in an abundance of caution in the event the appeal is permitted to proceed.

Response to Statement of Issues on Appeal

The Trade Committee’s *Statement of Issues, Designation of Items to be Included in the Record, and Certification Regarding Transcript*, Dkt. No. 6126, filed on March 5, 2020, reiterates the misleading and incorrect characterization of the Ninth Circuit’s holding in *In re Cardelucci*, 285 F.3d 1231 (9th Cir. 2002), made in its motion for leave to appeal (Dkt. No. 5845) (“**Motion for Leave**”). As Appellees made clear in their opposition to the Motion for Leave, *Cardelucci* clearly held that, “[w]here a debtor in bankruptcy is solvent, an unsecured creditor is entitled to ‘payment of interest at the legal rate’” on its allowed claim after the bankruptcy petition date, and that “Congress

¹The PG&E Shareholders are the entities identified on Exhibit A to the *Fifth Amended Verified Statement Of Jones Day Pursuant To Federal Rule Of Bankruptcy Procedure 2019*, Dkt. No. 5142. The PG&E Shareholders are acting in their individual capacities but authorized the filing of this single submission for the purpose of administrative efficiency. Each of the PG&E Shareholders is expressing its independent views, and counsel does not have the actual or apparent authority to obligate any one entity to act in concert with any other entity with respect to PG&E equity securities. The PG&E Shareholders have not agreed to act in concert with respect to their respective interests in PG&E equity securities.

1 intended ‘interest at the legal rate’ in 11 U.S.C. § 726(a)(5) to mean interest at the federal statutory
2 rate pursuant to 28 U.S.C. § 1961(a).” *Cardelucci*, 285 F.3d at 1234. That is exactly what the
3 Debtors’ Plan provides. There is nothing in *Cardelucci* that limits its holding to claims that are
4 impaired, as Appellant contends. Like the Plan here, the plan in *Cardelucci* “provided for payment
5 in full” of the unsecured claim at issue, *id.* at 1233, and the Ninth Circuit held that “payment in full”
6 is accomplished by payment of postpetition interest at the Federal Judgment Rate.

7 The issue on appeal, therefore, is whether the Bankruptcy Court properly applied binding
8 Ninth Circuit precedent in holding that, in a solvent debtor case, a general unsecured creditor is
9 entitled to postpetition interest on its claim at the Federal Judgment Rate.

10 **Designation of Record on Appeal**

11 Pursuant to Rule 8009 of the Federal Rules of Bankruptcy Procedure, Appellees hereby
12 designate the following additional items to be included in the record on appeal, which include all
13 exhibits and addenda attached thereto and filed therewith and all documents incorporated by
14 reference therein:

Item	Filing Date	Dkt. No. ²
Second Amended Verified Statement Of The Ad Hoc Committee Of Senior Unsecured Noteholders Pursuant To Bankruptcy Rule 2019	October 21, 2019	4369
Fifth Amended Verified Statement Of Jones Day Pursuant To Federal Rule Of Bankruptcy Procedure 2019	December 16, 2019	5142
Debtors’ Motion Pursuant To 11 U.S.C. §§ 363(b) And 105(a) And Fed. R. Bankr. P. 6004 And 9019 For Entry Of An Order (I) Approving And Authorizing The Debtors To Enter Into Restructuring Support Agreement With Consenting Noteholders And Shareholder Proponents, And (II) Granting Related Relief	January 27, 2020	5519
Order Pursuant To 11 U.S.C. §§ 363(b) And 105(a) And Fed. R. Bankr. P. 6004 And 9019 (I) Approving And Authorizing The Debtors To Enter Into Restructuring Support Agreement With Consenting Noteholders And Shareholder Proponents, And (II) Granting Related Relief	February 5, 2020	5637
Notice Of Withdrawal Of Chapter 11 Plan Of Reorganization Filed By The Ad Hoc Committee Of Senior Unsecured Noteholders	February 5, 2020	5644

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28 ² Unless otherwise indicated, all references herein to “Dkt. No.” shall be to the docket maintained in the above-captioned chapter 11 cases.

Item	Filing Date	Dkt. No.
Debtors' And Shareholder Proponents' Joint Chapter 11 Plan Of Reorganization Dated March 9, 2020	March 9, 2020	6217
Debtors' And Shareholder Proponents' Joint Chapter 11 Plan Of Reorganization Dated March 16, 2020	March 16, 2020	6320
Disclosure Statement For Debtors' And Shareholder Proponents' Joint Chapter 11 Plan Of Reorganization	March 17, 2020	6353

Dated: March 19, 2020

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Theodore E. Tsekerides
Peter J. Benvenutti

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Dated: March 19, 2020

JONES DAY

By: /s/ James O. Johnston
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